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August 14, 2001

Ex Parte Communication

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: MM Docket No. 00-39, DTV Biennial Review

Dear Ms. Salas:

In the course of several recent discussions with Commissioners and other Commission officials concerning the transition to digital television and the deadlines for broadcasters to begin digital transmissions, NAB was asked if we could determine how many television stations anticipated having a digital signal on the air by next May. To determine the answer to that question, NAB conducted a survey of all full-power commercial television stations with known telephone numbers.

The results of that survey are included in a report attached to this letter. Responses were obtained from 785 stations, a response rate of 71.4 percent. Responses were obtained from stations in all but 12 Nielsen Designated Market Areas (DMAs). More than two thirds of all stations (68.2%) reported that they either are operating in digital or will have a digital signal on the air by May 2002. As one might expect, a larger percentage of stations in large markets expect to have digital construction completed by next May than of stations in smaller markets.

Most significantly, the survey results show that at least one digital signal will be available by next May in 164 television markets. Those markets include 95.8 percent of all television households. Thus, while slightly less than one third of all stations indicated that they will not be able to be on the air in digital by next May, a delay in those stations' beginning digital operations will not retard the transition to digital television since almost all TV households will have access to a digital television signal.

Roughly 75 percent of the stations that indicated they will not be operating in digital by next May said they plan to ask for an extension of the construction deadline

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from the Commission. Of those stations, while many could not say how long an extension would be required, almost half indicated that they would need an extension of no longer than 12 months.

Please direct any questions concerning this matter to the undersigned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jack N. Goodman". The signature is fluid and cursive, with the first name "Jack" being more prominent.

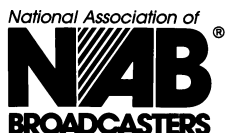
Jack N. Goodman

cc: Chairman and Commissioners
Marsha McBride
Mass Media Legal Assistants
Roy Stewart
Kenneth Ferree
Bruce Franca
Barbara Kreisman
Rick Chessen

Survey of Stations' Plans to Meet Digital Television Deadlines

August 2001

**David Gunzerath, Ph.D.
Vice President, Research and Planning
National Association of Broadcasters
August 13, 2001**



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National Association of Broadcasters
Washington, D.C.**

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NAB Survey of Stations' Plans to Meet DTV Deadlines, August 2001

Executive Summary

This telephone survey of full-power commercial television stations on their DTV plans was conducted from August 1 through August 8, 2001. Highlights of the findings of this survey include the following:

- A total of 785 stations participated in the survey, for an overall response rate of 71.4 percent.
- Overall, more than two-thirds of respondents in all markets report that they anticipate they will have a digital signal on air by May 2002.
 - A large majority (81.9 percent) of responding stations in the Top 50 markets anticipate they will be on-air with their digital signals no later than the FCC's May 2002 deadline.
 - Small market stations appear to be less optimistic they will be able to meet the deadline. Only 49.1 percent of responding stations in Nielsen Markets 100+ indicated that they believe they will be on-air by May 2002.
 - Based on the results of this survey, at least 95.8 percent of U.S. TV Households are in a Nielsen Market that will be served by at least one DTV station by May 2002.
- Three-quarters of those stations that do not anticipate meeting the May 2002 deadline indicated they plan to seek an extension of this deadline from the FCC. Another 15.6 percent of respondents said they "do not know" if they would seek such an extension.
- Of those who plan to seek an extension or don't know if they will seek an extension, the most widely cited extension lengths were: "Don't Know" (35.6 percent of respondents); six months (23.6 percent); and twelve months (18.7 percent).

NAB Survey of Stations' Plans to Meet DTV Deadlines, August 2001

Methodology

A telephone survey was conducted in August 2001 of General Managers (or group level executives) of all U.S. full-power commercial television stations with known telephone numbers.¹ The survey sought answers to three questions: whether the station currently anticipated it would be on-air with its digital television signal in time to meet the FCC's May 2002 deadline; if not, whether the station planned to seek an extension of this deadline from the Commission; and, if so, the length of time for which the station would seek an extension (a copy of the telephone script is included as Appendix 1). The survey was conducted by an independent telephone research firm retained by NAB's Research and Planning Department. NAB's Research and Planning Department performed the analyses of the data contained in this report. Telephone calling began on Tuesday, August 1, and concluded on Wednesday, August 8; a minimum of three attempted calls were made to each station (or station group).

The overall response rate to this survey was 71.4 percent, with 785 stations responding out of a total universe of 1,099 stations. Response rates were high among all market types, and especially so among stations in the Top 50 Nielsen markets (see Appendix 2 for a breakdown of response rates by market size groupings).

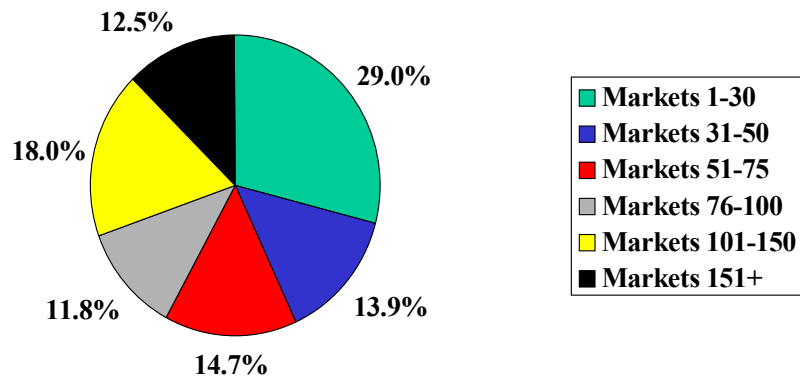
The survey results—both in total and broken out by market size—are included in Appendix 2.

Because this was an attempted census rather than a survey that utilized a random sampling design, there is no sampling error estimate to report. While the response rate to this survey was exceptionally high, readers should keep in mind that the results should be considered in view of the limitation that responding stations' answers to these questions may not be representative of those of non-responding stations.

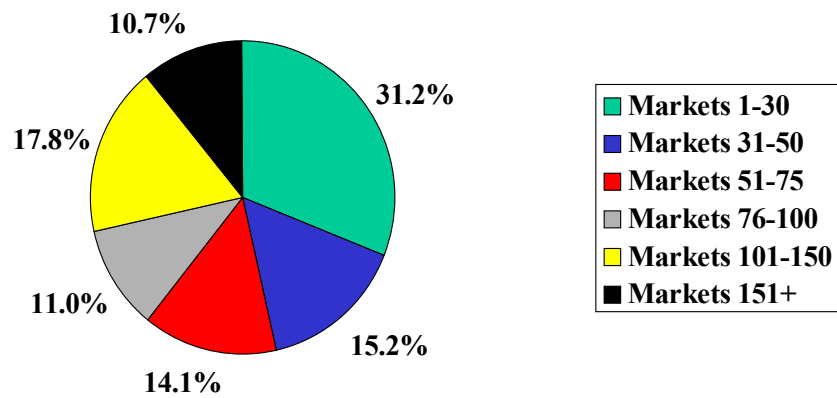
The charts on Page 5 illustrate how responding stations compared to the universe of stations based on Nielsen Market rankings. These charts show that responding stations compared very closely to the universe of stations on this criterion.

¹ Satellites of full-power television stations were not included in the survey universe.

Universe of Stations by Market Rank



Survey Respondents by Market Rank

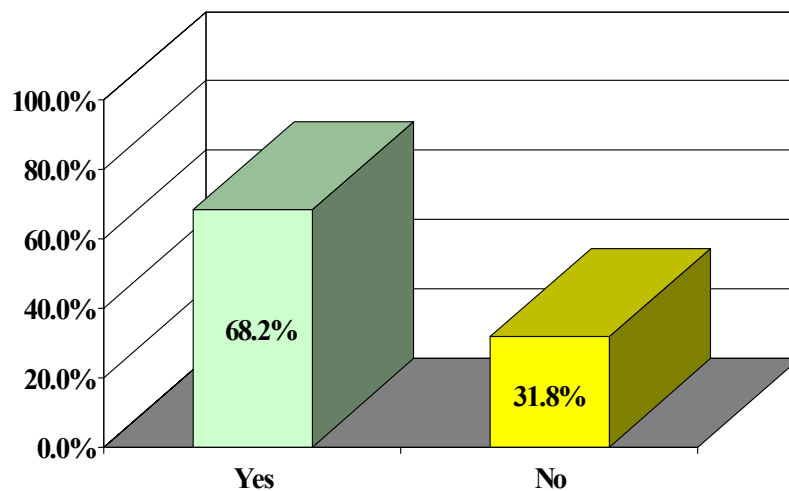


Analysis of Results

- **Stations' Plans To Meet the May 2002 Deadline**

Of the 785 stations that responded to the question, “Do you currently anticipate that your station will be on-air with your digital broadcast signal in time to meet the FCC’s deadline of May 2002?”, more than two-thirds indicated that they would meet the deadline.

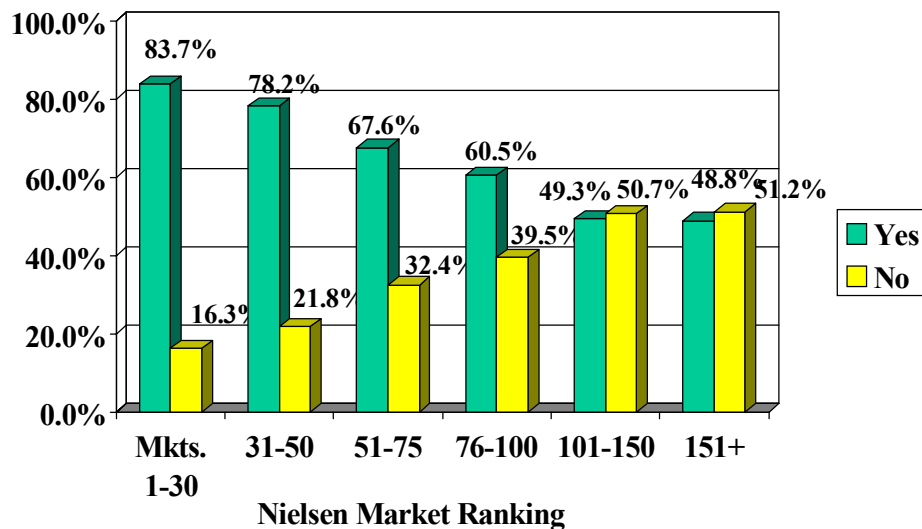
Do You Anticipate That You Will Meet the May 2002 Deadline?



○ Breakdown by Market Size

A detailed review of the responses to the “On-Air by Deadline?” question reveals that response patterns varied greatly based on the market size in which the respondent’s station is located. Respondents from stations in larger markets are much more confident they will meet the May 2002 deadline than are those in smaller markets. The chart below shows the percentage of those who anticipate they will be on-air with their digital broadcasts prior to the deadline, broken out by major market groupings.

On-Air in Digital by May 2002: By Market Size



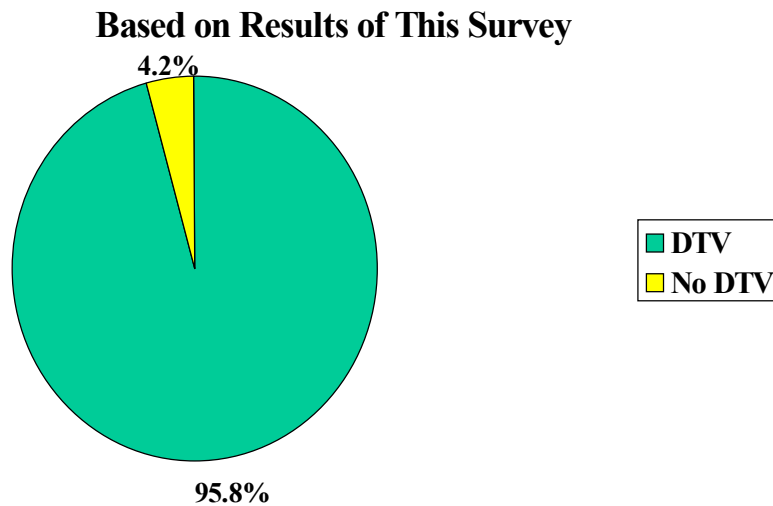
Note: Included in the above totals are those non-responding stations known to be already on-air in digital.

○ *Markets with at Least One DTV Signal On-Air by May 2002*

A review of the survey results indicates that stations in 164 markets, representing 95.8 percent of the U.S. TV Household population (97,844,910 homes),² will have at least one station on-air broadcasting a digital signal by May 2002. Included among the 46 markets in which no station indicated that it expected to be on-air in digital by the deadline are 12 markets in which no station responded to this survey.

The projected market coverage by May 2002 is depicted graphically below.

Percentage of U.S. TV Households in Markets Served by at Least One DTV On-Air Station as of May 2002

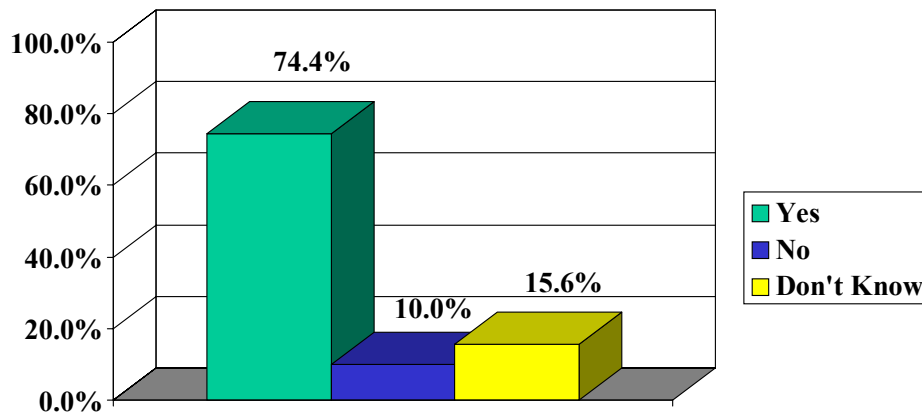


² Based on Nielsen Media Research's 2000-2001 Television Household Universe Estimates.

- **Stations' Plans To Seek Deadline Extensions**

Those stations that indicated they do not anticipate they will be able to meet the May 2002 deadline were asked if they planned to file for a deadline extension with the FCC. Three-quarters of these stations said they would seek an extension, as indicated in the chart below (see Appendix 2 for a breakdown of these responses by Market size).

Do You Plan to Seek an Extension of the FCC Deadline?*

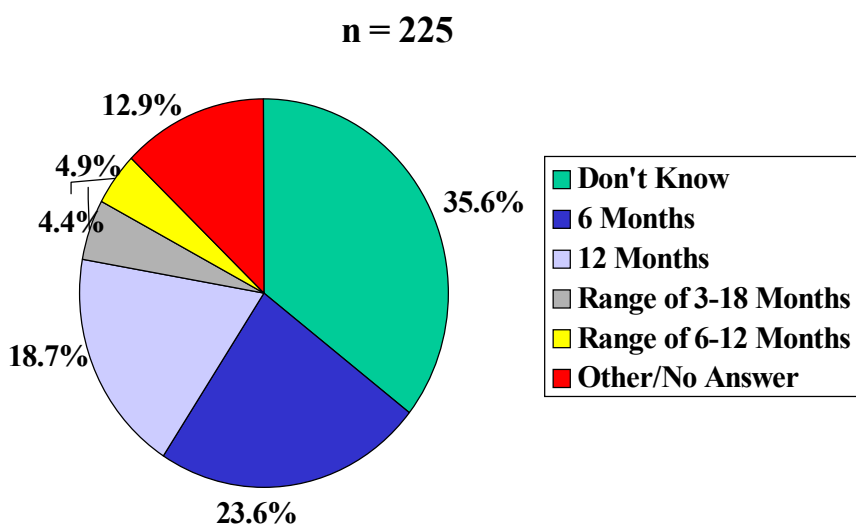


* Asked only of those stations that do not anticipate meeting the deadline (n = 250).

- **Length of Extensions Sought**

Those stations that indicated they would seek an extension of the deadline to begin transmitting their digital signals (or were uncertain if they would seek one) were also asked the length of time for which such an extension would be sought. While “Don’t Know” was the most popular answer among this group (cited by 35.6 percent of respondents), most other responses ranged between six and twelve months. The responses to this question are summarized in the chart below.

Length of Time for which Stations Plan to Seek Deadline Extensions



Conclusion

The findings of this survey of full-power commercial television stations appear to confirm that small market television broadcasters are less likely to believe they will be able to meet the May 2002 deadline to begin their digital broadcasts. Overall, however, more than two-thirds of commercial broadcasters anticipate they will meet the deadline. Three-quarters of those who do not think they will be able to meet the deadline plan to file for an extension. While many of these stations are uncertain as to the length of the extension they plan to request, about half indicated they plan to ask for an extension of one year or less.

Appendix 1: Telephone Survey Script

8/01 DTV Deadline Phone Survey Script: 1st Call, Single Stations

INTRODUCTION:

May I please speak with [Name]? I'm calling from the National Association of Broadcasters.

If contact is unavailable:

We'll call back at a more convenient time. Thank you.

When connected with appropriate party:

Good morning/afternoon,

I'm calling for the National Association of Broadcasters. We're in the process of supplying the FCC with some important information on the DTV transition, so we're calling stations to ask you a brief question or two about your digital plans. I can assure you that all individual responses will be kept strictly confidential.

1. Do you currently anticipate that [Station Call Letters] will be on-air with your digital broadcast signal in time to meet the FCC's deadline of May 2002?

- *If Yes: Go to END*
- *If No: Go to Question 2*

2. Do you plan to seek an extension of this deadline from the FCC?

- *If Yes: Go to Question 3*
- *If No: Go to END*

3. How long an extension do you plan to seek?

END

Thank you very much for your time. If you have any questions, please feel free to call David Gunzerath, the Vice President of NAB's Research and Planning Department, at (202) 429-5381. Thank you again, and have a good day.

Appendix 2:
Summary of Survey Results by Market Rank

August 2001 DTV Telephone Survey: Results by Market Ranking

Question 1: Do you currently anticipate your station will be on air with its digital broadcast signal by May 2002?

<u>Market Rank</u>	<u>Yes</u>	<u>%</u>	<u>No</u>	<u>%</u>	<u>Station Universe</u>	<u>Response Rate %</u>
Markets 1-30	205	83.7%	40	16.3%	319	76.8%
31-50	93	78.2%	26	21.8%	153	77.8%
51-75	75	67.6%	36	32.4%	162	68.5%
76-100	52	60.5%	34	39.5%	130	66.2%
101-150	69	49.3%	71	50.7%	198	70.7%
151+	41	48.8%	43	51.2%	137	61.3%
Total	535	68.2%	250	31.8%	1,099	71.4%

Question 2: If "No" to Q. 1, do you plan to seek an extension?

<u>Market Rank</u>	<u>Yes</u>	<u>%</u>	<u>No</u>	<u>%</u>	<u>Don't Know</u>	<u>%</u>
Markets 1-30	22	55.0%	9	22.5%	9	22.5%
31-50	18	69.2%	6	23.1%	2	7.7%
51-75	28	77.8%	3	8.3%	5	13.9%
76-100	22	64.7%	3	8.8%	9	26.5%
101-150	61	85.9%	2	2.8%	8	11.3%
151+	35	81.4%	2	4.7%	6	14.0%
Total	186	74.4%	25	10.0%	39	15.6%

Question 3 (all mkts.): If "Yes" or "Don't Know" to Q. 2, for what length of time would you seek an extension?

<u>Response</u>	<u>Stations</u>	<u>%</u>
Don't Know	80	35.6%
6 months	53	23.6%
12 months	42	18.7%
3-18 months	11	4.9%
6-12 months	10	4.4%
Other/No Answer	29	12.9%
Total	225	100%